

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 128 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 5-10.2-2-19 IS ADDED TO THE INDIANA
- 4 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 5 [EFFECTIVE JULY 1, 2007]: Sec. 19. (a) As used in this section,
- 6 "emerging money manager" means an investment adviser that:
- 7 (1) has an investment portfolio of less than one billion dollars
- 8 (\$1,000,000,000) on July 1, 2007; and
- 9 (2) is a minority business enterprise (as defined in
- 10 IC 4-13-16.5-1) or a women-owned business enterprise (as
- 11 defined in IC 5-16-6.5-3).
- 12 (b) The board of each fund is strongly encouraged to use
- 13 emerging money managers to the greatest extent feasible in
- 14 managing the assets of the fund.
- 15 (c) Except as provided in subsection (d), not later than
- 16 December 31, 2008, each board shall contract for and employ:
- 17 (1) emerging money managers that are minority business
- 18 enterprises to manage at least fifteen percent (15%) of the
- 19 assets under the board's control; and
- 20 (2) emerging money managers that are women-owned
- 21 business enterprises to manage at least five percent (5%) of
- 22 the assets under the board's control.
- 23 (d) Beginning with the 2007 annual report, each fund shall
- 24 provide the following information in its annual report each year:

1 **(1) The identity of each emerging money manager used by the**
 2 **fund.**

3 **(2) The percentage of the fund's assets under the investment**
 4 **control of each emerging money manager used by the fund.**

5 **If either fund, exercising financial and fiduciary prudence,**
 6 **determines that it is unable to meet the percentages set forth in**
 7 **subsection (c), the fund shall include in its annual report a**
 8 **description of efforts made to meet the percentages and a**
 9 **description of the fund's plan to achieve the percentages as quickly**
 10 **as possible.**

11 SECTION 2. IC 5-10.3-5-4 IS AMENDED TO READ AS
 12 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) Securities shall
 13 be held for the fund by banks or trust companies under a custodial
 14 agreement. Income, interest, proceeds of sale, materials, redemptions,
 15 and all other receipts from securities and other investments which the
 16 board retains for the cash working balance shall be deposited with the
 17 treasurer of state.

18 (b) **Subject to IC 5-10.2-2-19**, the board may contract with
 19 investment counsel, trust companies, or banks to assist the board in its
 20 investment program.

21 SECTION 3. IC 5-10.4-3-10, AS ADDED BY P.L.2-2006,
 22 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2007]: Sec. 10. (a) The board shall invest its assets with the
 24 care, skill, prudence, and diligence that a prudent person acting in a
 25 like capacity and familiar with such matters would use in the conduct
 26 of an enterprise of a like character with like aims. The board also shall
 27 diversify investments in accordance with prudent investment standards,
 28 subject to the limitations and restrictions set forth in IC 5-10.2-2-18.

29 (b) The board may:

30 (1) make or have investigations made concerning investments;
 31 and

32 (2) contract for and employ investment counsel to advise and
 33 assist in the purchase and sale of securities, **subject to**
 34 **IC 5-10.2-2-19.**

35 (c) The board is not subject to IC 4-13, IC 4-13.6, or IC 5-16 when
 36 managing real property as an investment. A management agreement
 37 entered into by the board shall ensure that the management agent acts
 38 in a prudent manner regarding the purchase of goods and services.
 39 Contracts for the management of investment property shall be
 40 submitted to the governor, the attorney general, and the budget agency
 41 for approval. A contract for the management of real property as an
 42 investment:

43 (1) may not exceed a four (4) year term and must be based upon
 44 guidelines established by the board;

45 (2) may provide that the property manager may collect rent and
 46 make disbursements for routine operating expenses such as

- 1 utilities, cleaning, maintenance, and minor tenant finish needs;
 2 (3) shall establish, consistent with the board's duty under
 3 IC 30-4-3-3(c), guidelines for the prudent management of
 4 expenditures related to routine operation and capital
 5 improvements; and
 6 (4) may provide specific guidelines for the board to:
 7 (A) purchase new properties;
 8 (B) contract for the construction or repair of properties; and
 9 (C) lease or sell properties;
 10 without individual transactions requiring the approval of the
 11 governor, the attorney general, the Indiana department of
 12 administration, and the budget agency. However, each individual
 13 contract involving the purchase or sale of real property is subject
 14 to review and approval by the attorney general at the specific
 15 request of the attorney general.
 16 (d) Whenever the board takes bids in managing or selling real
 17 property, the board shall require a bid submitted by a trust (as defined
 18 in IC 30-4-1-1(a)) to identify all the following:
 19 (1) Each beneficiary of the trust.
 20 (2) Each settlor empowered to revoke or modify the trust."
 21 Renumber all SECTIONS consecutively.
 (Reference is to ESB 128 as printed March 13, 2007.)

Representative Crawford